

Message Text

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SUBJ: MAJOR PROJECTS - PETROLEUM AND PETROCHEMICALS

REF: STATE 291643

THREE FOLLOWS A STATUS REPORT ON MAJOR PROJECTS IN THE
PETROLEUM AND PETROCHEMICAL FIELDS IN COLOMBIA.

1. LNG. OF THE TWO EXPLOTATORY GAS WELLS DRILLED IN
LA GUAJIRA, ONE WAS DRY AND ONE WAS NOT PRODUCIBLE. ONE MORE
WELL WILL BE DRILLED IN THE NEAR FUTURE, BUT AS OF TODAY
THE GAS RESERVES AVAILABLE FOR LNG EXPORTS REMAIN AT 150
MILLION CFD. THE GOVERNMENT IS EXPECTED TO ANNOUNCE AN
LNG POLICY IN THE COMING MONTHS ON WHICH POTENTIAL INVESTORS
IN AN LNG PLANT CAN BASE THEIR STUDIES AND PROPOSALS.
SEVERAL POTENTIAL INVESTORS HAVE ALREADY HELD DISCUSSIONS
WITH ECOPETROL AND TEXAS PETROLEUM, THE LNG PROJECT PRODUCERS AND

WILL BE CONDUCTING PRELIMINARY ECONOMIC STUDIES ON THE
FEASIBILITY OF A 150 CFD PLANTS

2. AMMONIA. DISCUSSIONS ARE STILL GOING ON WITH POTENTIAL
INVESTORS IN A 1000 TON AMMONIA PLANT FOR THE LA GUAJIRA
GAS FIELDS. THIS PROJECT HAS
BEEN TRANSFERRED TO THE INSTITUTE
OF INDUSTRIAL DEVELOPMENT (IFI) FOR PROMOTION. THE DECISION
HAS BEEN MADE BY THE GOVERNMENT TO DEFINITELY GO AHEAD
WITH THE PROJECT AND THE PROJECT DIRECTOR IS PRESENTLY
IN THE UNITED STATES LOOKING AT SYSTEMS. AS SOON AS HE RETURNS
A REPORT WILL BE SUBMITTED.

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3. ETHYLENE PLANT. POLICOLSA HAS OBTAINED TIED LOANS FROM HOLLAND AND FRANCE AND IS CURRENTLY PURCHASING EQUIPMENT FOR THIS PLANT, DESIGNED BY THE ITALIAN FIRM CTIP. THIS MONTH POLICOLSA WILL SIGN A LOAN WITH THE WORLD FINANCE CORPORATION FOR \$25 MILLION, WHICH WILL BE USED PRIMARLY FOR PURCHASES OF EQUIPMENT IN THE UNITED STATES, INCLUDING MOTORS, PUMPS, TUBULAR GOODS, INSTRUMENTS, CONTROLS ETC. CONSTRUCTION WILL BEGIN IN EARLY 1977.

4. POLIETHYLENE. THIS PROJECT MAY BECOME A JOINT VENTURE WITH DOW WHOSE PROCESS THE PLANT WILL USE. CONSTRUCTION WILL BEGIN IN FEBRUARY. EQUIPMENT HAS ALREADY BEEN PURCHASED, ALMOST ALL FROM THE UNITED STATES.

5. DMT PLANT. THE DMT PLANT SCHEDULED FOR CALI WAS CANCELED AND THERE ARE PRESENTLY NO PLANTS TO REACTIVE IT.

6. FERTICOL FERTILIZER PLANT. THE NATIONAL PLANNING DEPARTMENT IS STILL STUDYING THE ECONOMIC FEASIBILITY OF THIS PLANT.

7. HDPE. COLOMBIA REMAINS VERY INTERESTED IN A HIGH DENSITY POLIETHYLENE PLANT AND WILL NEGOTIATE WITH THE OTHER MEMBERS OF THE ANDEAN PACT, TRADING CHILEAN ASSIGNMENTS TO OBTAIN THE HDPE FOR COLOMBIA. VENEZUELA, PERU AND BOLIVIA PRESENTLY HAVE HDPE ASSIGNMENTS. COLOMBIA IS INTERESTED IN BUILDING A 25 THOUSAND TON A YEAR PLANT. LOCAL CONSUMPTION IS 10 THOUSAND TONS A YEAR.

8. FUNGICIDE. DUPONT'S 14 MILLION LB PLANT WILL BE IN OPERATION BY APRIL 1977.

9. THE BALANCE PLANT. THE DETAILED DESIGN HAS BEEN COMPLETED AND MOST OF THE EQUIPMENT HAS BEEN PRUCHASED.

10. BARRANCABERMEJA INDUSTRIAL COMPLEX. THERE HAVE BEEN SOME DELAYS SO THAT PURCHASE OF EQUIPMENT IS JUST BEGINNING.

1. CARTAGENA REFINERY. THE DESIGN BY EXXON IS UNCLASSIFIED

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COMPLETED, AND THE CONTRACT WAS AWARDED TO TECHNIPETROL. CONSTRUCTION WILL BEGIN IN MID-1977 IF THE FINANCING CAN BE ARRANGED WITH THE IDB EARLY IN THE YEAR.

12. CENTRAL ZONE REFINERY. THE FEASIBILITY STUDY HAS BEEN COMPLETED BUT THE PROJECT IS IN LIMBO BECAUSE THE SITE SUGGESTED BY THE ECONOMICS WAS NOT THE SITE DESIRED BY SOME INTERESTED POLITICAL GROUPS.

15. THE TUMACO REFINERY. THE FEASIBILITY STUDY IS STILL
BEING CONDUCTED BY THE RUMANIANS. IT IS BELIEVED THAT
THE STUDY WILL FIND THE REFINERY UNFEASIBLE, AT LEAST UNLESS
ADDITIONAL CRUDE SHOULD BE FOUND IN THE PUTUMAYO.
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